

Howard F. Bascom and Bascom Capital

Consent Order

Date of Order: May 15, 2007

RESPONDENTS: Howard F. Bascom and Bascom Capital of Mission Hills, Kansas

ALLEGATIONS: The Respondents entered into investment advisory contracts that were not in writing, in violation of K.A.R. 81-14-5(d)(13). The Respondents failed to obtain prior written authorization from each client to deduct advisory fees from client accounts, in violation of K.A.R. 81-14-9(b)(1)(F)(i), and failed to send invoices itemizing fee deductions, in violation of K.A.R. 81-14-9(b)(1)(F)(ii). The Respondents failed to keep or maintain sufficient records to permit an audit, in violation of K.S.A. 17-12a412(d)(8), and Respondent Bascom made false or misleading statements to an examiner for the Office of the Securities Commissioner and produced falsified advisory contracts to the examiner, in violation of K.S.A. 17-12a505.

ORDER: The Commissioner issued a Summary Order of Suspension and Notice of Intent to Impose Additional Sanctions on December 12, 2006, which was modified by further order of the Commissioner on December 20, 2006. On May 11, 2007, Mr. Bascom entered into a Stipulation for Consent Order in which he consented to the entry of an order by the Commissioner that would end the suspension of registration and require Bascom and his firm to do the following:

- Pay restitution of \$51,645.82 for excessive fees that were charged to clients.
- Pay a fine of \$18,000.
- Take the Uniform Investment Adviser Law Examination (Modified Series 65 Examination) and obtain a passing score on or before January 1, 2008.
- Retain the services of an independent compliance consultant to conduct a comprehensive review of the Respondents' policies and procedures and provide recommendations to ensure that they are reasonably designed to comply with all laws governing investment advisers and investment adviser representatives in the State of Kansas.
- Notify the Office of the Securities Commissioner of all fees charged to clients and all complaints received during the next two years.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.